



# PSC NEWS

## Missouri Public Service Commission

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**FOR IMMEDIATE RELEASE**

**APRIL 8, 2005**

### **PSC CONFIRMS AQUILA AUTHORITY TO CONSTRUCT SOUTH HARPER FACILITY**

JEFFERSON CITY--The Missouri Public Service Commission has confirmed that Aquila, Inc. already has the authority through existing certificates of convenience and necessity to build and operate an electric generation system in Cass County near Peculiar, Missouri. The Commission's order clarifies prior certificates and confirms that, in order to serve its customers, Aquila has already been granted specific authorization to build its South Harper Facility and Peculiar Substation, both of which are fully contained within Aquila's certificated area. Prior Commission certificates granted in 1921, 1922 and 1950 give Aquila Commission authority to build the plant.

In its April 7, 2005, order the Commission also noted past court decisions that have held that utilities wanting to build additional facilities within their certificated area did not need additional authority from the Commission to proceed and that a certificate of convenience and necessity is only needed when an electric utility starts business or if it attempts to expand its authority in an entirely new area.

Lawsuits challenging Aquila's right to construct the plant were filed in Cass County Circuit Court. Following a hearing, a permanent injunction was issued on January 11, 2005. Aquila posted an appeal bond that was approved by the circuit judge and that stayed the injunction portion of the final judgement while Aquila appealed the order. The case is currently before the Missouri Court of Appeals, Western District.

**Background:** On January 28, 2005, Aquila, Inc. filed an application with the Missouri Public Service Commission seeking clarification of its existing certificates of convenience and necessity to confirm that Aquila has specific authorization to build its South Harper Facility and Peculiar Substation in Cass County near Peculiar, Missouri. The South Harper Facility will be a peaking-power production facility. It would have three natural gas-fired combustion turbines to generate power during peak demand periods. The Peculiar Substation will function as a related electric transmission substation.